

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 759 – SB 1166

April 11, 2011

SUMMARY OF AMENDMENT (005707): Requires a court to order a public tax sale of land located in a federally designated qualified census tract, subject to equity of redemption, that is commercial or residential property; is abandoned or vacant; or is deemed in violation of any local anti-neglect ordinance. Establishes a minimum bid amount equal to the lesser of the appraised value for the most recent tax year or an amount equal to the taxes, interest, penalties, and costs owed on the property. Prohibits property owners, relatives, and representatives of the owner from being entitled to purchase the property for any amount less than the total amount owed in delinquent taxes. Authorizes the local county or municipality to bid the minimum amount where no non-governmental bidder offers the same or larger bid, unless the delinquent tax attorney determines it is not in the best interest of the local government due to environmental risks. Requires that proceeds from the sale of property to a non-governmental bidder be prorated according to the sale amount with court clerks being paid first and the balance being distributed between county and municipal tax liens.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue – Exceeds \$10,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- The provisions of this bill apply to Shelby County.
- According to the U.S. Department of Housing and Urban Development, there are 55 qualified census tracts in Shelby County.
- The decrease in revenue to local governments as a result of accepting minimum bids on auctioned qualified census tracts is unknown.

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- According to the Comptroller of the Treasury, authorizing property to be sold at auction for less than the total amount owed to municipal or county governments will reduce local revenues in an amount estimated to exceed \$10,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White, Jr.", with a stylized flourish at the end.

James W. White, Executive Director

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